

**STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

**Before the Commissioner of the Office of Financial and Insurance Regulation**

In the matter of:

**Office of Financial and Insurance Regulation**

**Enforcement Case No. 09-7139**

**Agency No. 12-025-L**

Petitioner,

v

**Bravata Financial Group  
d/b/a Bravata Holdings, III  
System ID No. 0082065**

Respondent.

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**Issued and entered  
this 4<sup>th</sup> day of September, 2012  
by R. Kevin Clinton  
Commissioner**

**FINAL DECISION**

**I. BACKGROUND**

Respondent Bravata Financial Group (BFG) d/b/a Bravata Holdings, III, is a Michigan licensed insurance producer. In July 2010, the Office of Financial and Insurance Regulation (OFIR) received information that the United States Securities and Exchange Commission (SEC) had filed a Complaint against BFG, its principals and other associated entities alleging fraud and other unlawful business conduct, and that BFG had been under receivership since September 2009. OFIR confirmed the receivership and issued a Notice of Opportunity to Show Compliance to the Respondent alleging facts providing justification for the revocation of licensure pursuant to Sections 1239(1)(h) and 1239(3) of the Michigan Insurance Code (Code), MCL 500.1239(1)(h) and 500.1239(3). Respondent failed to reply to the Notice.

On June 8, 2012, OFIR issued an Administrative Complaint and Order for Hearing (Administrative Complaint) which was sent to Respondent, its principals and court-appointed receiver. The Order for Hearing required Respondent to take one of the following actions within 21 days: agree to a resolution of the case, file a response to the allegations with a statement that Respondent planned to attend the hearing, or request an adjournment. Respondent failed to take any of these actions.

On August 9, 2012, OFIR staff filed a Motion for Final Decision. Respondent did not file a reply to the motion. Given Respondent's failure to reply to the motion or administrative complaint, Respondent is considered to be in default and Petitioner's motion is granted. The Administrative Complaint, being unchallenged, is accepted as true. Based upon the Administrative Complaint, the Commissioner makes the following Findings of Fact and Conclusions of Law.

## II. FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Respondent Bravata Financial Group (BFG) *d/b/a* Bravata Financial Group is a Michigan limited liability company whose principle place of business was located at 3000 Town Center Dr., Suite 1700, Southfield, MI 48075. BFG is a Michigan licensed resident insurance producer agency under the Code with qualifications in Accident, Health, Life, and Variable Annuities. System ID No. 0082065.
2. During the relevant time periods, BFG was owned and controlled by John Bravata and Richard Trabulsy.
3. John J. Bravata is a Michigan resident. He is licensed as a resident insurance producer agent under the Code with qualifications in Accident, Health, Life and Variable Annuities. System ID No. 0073351. During the relevant time periods, Bravata maintained a principle place of business at 3000 Town Center Dr., Suite 1700, Southfield, MI 48075.
4. Richard J. Trabulsy, also known as Richard A. Bosworth, was a Michigan resident. He was licensed as a resident insurance producer agent under the Code with qualifications in Accident, Health, Life and Variable Annuities. System ID No. 0273405. During the relevant time periods, Trabulsy maintained a principle place of business at 3000 Town Center Dr., Suite 1700, Southfield, MI 48075.
5. On March 30, 2009, OFIR issued an Order against BFG to Cease and Desist (Order) from engaging in the offer and sale of securities without first: a) obtaining a registration or registering to transact business as a broker-dealer or investment adviser, and b) registering said securities under the Michigan Uniform Securities Act (the MUSA), 1964 PA 265, MCL 451.501 *et seq.*
6. On July 26, 2009, the SEC filed a Complaint against BFG, its principals and other associated entities alleging several violations of the Securities Act of 1933 and the Exchange Act of 1934, including but not limited to: conduct involving misleading investors about (1) the use of investor funds, (2) the risks associated with the investment, (3) the purported compensation, commission, and finder's fees paid to them and others, (4) and the true financial condition of BBC Equities, an affiliate business owned and operated by Trabulsy and Bravata.
7. Additionally, the SEC's request for an emergency temporary restraining order, appointment of a receiver, and asset freeze to halt the Respondent's ongoing fraudulent

scheme was granted. As a result, a receiver was appointed to gather and liquidate assets of BFG and its principals.

8. BFG has been under receivership since September 2009.
9. On or about October 7, 2011, a Rule 11 Plea Agreement (Plea Agreement) was filed in the United States District Court for the Eastern District of Michigan between the United States of America and Richard Trabulsy (Dkt 67, 2:11-cr-20314). The Plea Agreement was signed by Trabulsy and dated October 7, 2011.
10. In the Plea Agreement, Trabulsy agreed to enter a plea of guilty to the charge of Wire Fraud, a felony under the United States Code. 18 U.S.C. § 1343. (Plea Agreement at 1). On October 7, 2011, the plea was accepted by the court and sentencing scheduled for May 2012.
11. In the Plea Agreement, Trabulsy admitted to committing actions that constitute fraudulent and dishonest practices, and that demonstrate untrustworthiness and financial irresponsibility in the conduct of business.
12. Trabulsy, as an owner and controlling officer of BFG, acting on behalf of and through BFG, committed fraudulent and dishonest practices and demonstrated untrustworthiness and financial irresponsibility on behalf of BFG.
13. On or about May 12, 2011, John Bravata was indicted in federal court on one count of Conspiracy to Commit Wire Fraud, a felony under the United States Code. 18 U.S.C. § 1349. Bravata is being held in custody pending trial.
14. Bravata, as an owner and controlling officer of BFG, acting on behalf of and through BFG, is alleged to have engaged in actions that constitute fraudulent and dishonest practices and demonstrated untrustworthiness and financial irresponsibility on behalf of BFG.
15. Section 1239(3) of the Code, MCL 500.1239(3), provides that the Commissioner may revoke the license of a business entity if the Commissioner finds that an individual licensee's violation was known or should have been known by 1 or more of the partners, officers, or managers acting on behalf of the partnership or corporation and the violation was neither reported to the Commissioner nor corrective action taken.
16. Based on the above facts, BFG's principals, individually or in concert, acted on behalf of and through BFG to defraud investors and are no longer able act on behalf of BFG in compliance with the Code. Neither Trabulsy nor Bravata reported known violations to the Commissioner, or took corrective action to ensure compliance with the Code. BFG's principals committed acts that provide justification for the Commissioner to revoke the Respondent's insurance producer license.

### III. ORDER

Based upon Respondent's conduct and the applicable law cited above, it is ordered that:

1. Respondent shall immediately cease and desist from engaging in the business of insurance.
2. Respondent's insurance license is hereby **REVOKED**.



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R. Kevin Clinton  
Commissioner